Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of

Numbering Resource Optimization	)	CC Docket No. 99-200
Connecticut Department of Public Utility Control Petition for Rulemaking to Amend the Commission's Rule Prohibiting Technology-Specific or Service-Specific Area Code Overlays	)	RM No. 9258
Massachusetts Department of Telecommunications and Energy Petition for Waiver to Implement a Technology-Specific Overlay in the 508, 617, 781 and 978 Area Codes	)	NSD File No. L-99-17
California Public Utilities Commission and the People of the State of California Petition for Waiver to Implement a Technology-Specific or Service-Specific Area Code	)	NSD File No. L-99-36

COMMENTS OF NEXTLINK COMMUNICATIONS, INC.

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REPLY COMMENTS OF NEXTLINK COMMUNICATIONS, INC.

NEXTLINK Communications, Inc. ("NEXTLINK"), pursuant to the above-captioned Notice of Proposed Rulemaking ("NPRM") released on June 2, 1999, hereby submits its reply comments.[1] NEXTLINK builds and operates high-capacity, fiber optic and fixed wireless networks to provide local, long distance, data and enhanced telecommunications services.[2]

[1] Number Resource Optimization, Notice of Proposed Rulemaking, FCC 99-122, CC Docket No. 99-200 (rel. June 2, 1999) ("NPRM").

[2] NEXTLINK is developing a national fiber and fixed wireless network to offer end-to-end voice and broadband data communications over ATM or IP and frame-relay managed facilities.

NEXTLINK currently operates twenty-six (26) facilities-based networks in forty-one (41) markets located in fifteen (15) states. NEXTLINK believes that its experience in providing facilities-based competition nationally, its rapid deployment of local number portability, and its active participation in industry numbering resource activities provides it with a unique perspective to assist the Commission in its investigation of numbering optimization reform.[3]

I. INTRODUCTION

As the twenty-first century approaches, the transition from a monopoly environment to the new competitive future of telecommunications has resulted in significant changes to the regulation and practices of the telecommunications industry. Every entity affected by telecommunications in this country, including the Commission, state commissions, industry and the American public, has experienced the impact of this historic transition away from a monopoly-based telecommunications system. Recognizing the vital role that telephone numbers play in the vigorous development of competition, commenters in this proceeding nearly unanimously agree that significant changes to the North American Numbering Plan ("NANP") are necessary to address current inadequacies and optimize the allocation of existing number resources.

Given the continuing restructuring of the nation's existing telecommunications regulatory regime, it is imperative that the Commission consider the number administration proposals in this proceeding within the context of the Commission's other policy initiatives designed to promote competition in telecommunications. In particular, NEXTLINK urges the Commission to

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[3] See also Number Resource Optimization, Notice of Proposed Rulemaking, FCC 99-122, CC Docket No. 99-200, Comments of NEXTLINK Communications, Inc. (filed July 30, 1999) ("NEXTLINK comments"). NEXTLINK, for example, is a member of the North American Numbering Council ("NANC"), has been an active participant in the NANC's Number Resource Optimization ("NRO") Working Group and the Local Number Portability Administration

scrutinize closely claims made by some commenters--such as those regarding the potentially disruptive impact that specific numbering conservation and optimization initiatives may have on existing rate structures or revenue streams—nor should the Commission ignore broader shifts in regulation resulting from other Commission initiatives. Instead, such claims should be considered and weighed in the context of any potential "disruptions" that currently exist or may result from the Commission's concurrent initiatives to: (i) eliminate implicit subsidies in Universal service programs; (ii) create an interstate access charge regime more reflective of costs; (iii) ensure implementation of intra-LATA toll dialing parity; (iv) oversee the national development of local number portability; and (v) adopt and enforce pro-competitive interconnection rules that guarantee non-discriminatory access to incumbent bottleneck network facilities.

NEXTLINK believes that the Commission's goal in this proceeding must be the creation of a system of number administration optimized for a competitive telecommunications infrastructure. Implementation of permanent local number portability was a key part of developing such a competitive infrastructure.[4] NEXTLINK supports the use of rate center consolidation and national implementation of thousand-block number pooling as two additional critical aspects to creating this long-term competitive infrastructure. Most commenters agree that these two projects will provide the most cost-effective means to reform the current system and provide significant relief to the current number exhaustion crises.

("LNPA") Working Group.

[4] Similarly, the Commission's previous decision to implement toll-free number portability was an important pro-competitive decision. See 800 Access, Report and Order, 4 FCC Rcd 2824 (1989). The Commission's current proceeding to consider number portability for 500 and 900 numbers present an additional opportunity for the Commission to further cement this competitive infrastructure. See Common Carrier Bureau Seeks Comment on North American Numbering Council Recommendation Concerning Feasibility of Number Portability of 500 and 900 Numbers,

Further, parties universally affirm that the Commission should assert its firm leadership over numbering administration by setting national policies over administrative issues. A variety of conflicting multi-jurisdictional rules and policies would only create confusion and reduce efficient implementation. Uniform and consistent federal guidelines on these administrative issues will assist the North American Numbering Plan Administrator ("NANPA") in carrying out the Commission's goals and policies effectively.

At the same time as the Commission establishes clear national policies with regard to numbering resource optimization and administration measures, NEXTLINK and other commenters stress that the Commission should also reject a pricing mechanism for allocating number resources as contrary to the law and public policy. Finally, most parties recommend, with respect to area code relief, that the Commission should continue to defer to states on the implementation of area code splits and overlays.

II. NUMBER OPTIMIZATION SOLUTIONS

Numerous commenters advocate the need for Commission action that sets forth a clear national policy for reforming the current numbering system.[5] NEXTLINK joins other parties that support any Commission effort to exercise its explicit federal authority over all issues related to the North American Numbering Plan ("NANP") that would provide certainty and efficiency to the

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DA 99-1527, CC Docket No. 95-116 (August 3, 1999).

[5] See AT&T comments; BellSouth comments; Cablevision Lightpath comments; GTE comments; MCI WorldCom comments; MediaOne comments; New Jersey Board of Public Utilities; Nextel comments; Omnipoint Communications, Inc.; Qwest comments; Sprint comments; Time Warner comments; USTA comments; NEXTLINK comments; see also Petition for Declaratory Ruling and Request for Expedited Action on the July 15, 1997 Order of the Pennsylvania Public Utility Commission Regarding Area Codes 412, 610, 215, and 717, and Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Memorandum Opinion and Order and Order on Reconsideration, 13 FCC Rcd 19009 (1998) ("Pennsylvania Order").

system of national number administration. The current system is predicated on monopoly service by Bell Operating Companies ("BOCs") and incumbent local exchange carriers ("ILECs"), and as demonstrated by the increase in number exhaustion since the Telecommunications Act of 1996, is incompatible with competition in the local market. It is the continued use of the current system that is largely responsible for the threatened exhaust of the NANP.

The solution to the inefficiencies in the current system requires reform of existing monopoly-based structures, by: (1) consolidating the number of rate centers and (2) reducing the size of number blocks allocated to each carrier. The resulting fewer number of large rate centers coupled with a smaller block of numbers allocated to each carrier per rate center will result in number allocation that is optimized for the competitive, multi-carrier local market to which the industry is transitioning. For these reasons, many commenters, including NEXTLINK, urge the Commission to adopt and focus industry resources on rate center consolidation and thousand block number pooling to improve number resource optimization.[6]

A. The Commission Should Encourage Rate Center Consolidation

NEXTLINK and other parties agree that there are significant benefits to consolidation of existing rate centers, including the reduction of the number of rate centers within a Number Planning Area ("NPA") or area code and the corresponding reduction in the amount of numbers that a new entrant must obtain every time it enters a new NPA in order to establish an initial "footprint" in that market. Rate center consolidation is a pro-competitive measure that is necessary to reform an archaic monopoly structure. NEXTLINK and other parties favor

[6] See, e.g., AT&T comments; BellSouth comments; Cablevision Lightpath comments; Cox Communications; GTE comments; MCI WorldCom comments; MediaOne comments; Nextel comments; NEXTLINK comments; PrimeCo comments; Qwest comments; Sprint comments;

Commission encouragement and support to states to implement rate center consolidation because rate center consolidation's benefits far outweigh its immediate costs.[7] The Commission should, therefore, look into ways to promote and encourage rate center consolidation.

As NEXTLINK discussed in its comments, rate center consolidation reduces the number of rate centers within an area code, and correspondingly, reduces the amount of numbers that a new entrant must obtain every time it enters a given NPA in order to establish an initial "footprint" in that market.[8] MCI WorldCom similarly notes that rate center consolidation "directly addresses the footprint requirements of new service providers,"[9] by reducing the amount of numbers per area code that a carrier must obtain to provide service. Rate center consolidation thus extends the life of an existing area code; reducing the demand for new numbers; and complements other number optimization measures such as number pooling.[10]

Parties generally agree that rate center consolidation is a vitally important long term numbering resource optimization measure that states should implement.[11] Rate center

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Time Warner comments; USTA comments.

[7] See, e.g. AT&T comments at 33; ALTS comments at 21; CTIA comments at 18-21; MediaOne comments at 27; MCI WorldCom comments at 2; NEXTLINK comments at 11; PrimeCo comments at 5; RCN comments at 11; Sprint comments at 21; Time Warner comments at 11.

[8] NEXTLINK comments at 6 and n.11 (noting that typically, competitive carriers must obtain number resources in each ILEC rating area in which they plan to provide service, otherwise known as obtaining a "footprint."); see also MCI WorldCom Comments at 21 (Any number resource optimization measure must address the current "footprint" requirements; and rate center consolidation "directly addresses the footprint requirements of new service providers").

[9] MCI WorldCom comments at 21.

[10] See AT&T Comments at 33 (citing NPRM at paras. 113 and 117).

[11] See, e.g., Ad Hoc Telecommunications Users Committee Comments at 16; AT&T Comments at 33; Cablevision Lightpath, Inc. Comments at 7; Cincinnati Bell Telephone Company Comments at 10; CTIA comments at 22; Level 3 Communications comments at 11; MCI WorldCom Comments at 21; MediaOne Comments at 27; Minnesota Commission Comments; NEXTLINK

consolidation is a practical solution, because, among other things, "it can be implemented by states regardless of which pooling measure" the Commission adopts.[12] There is evidence that implementation of rate center consolidation provides substantial benefits,[13] as demonstrated by states like Colorado, Minnesota, and Texas, which have already successfully implemented rate center consolidation without much difficulty.[14] For example, Texas has shown that rate center consolidation is a "workable and effective solution,"[15] and Minnesota noted that it was able to accomplish consolidation of its rate centers without expanding its local calling areas, and without significant technical or billing system problems.[16] Further, Missouri has recently begun consolidating its rate areas; SBC agreed to consolidate 14 rate centers to 7 in the St. Louis area.[17]

Some parties contend that there may be some short term costs associated with implementing rate center consolidation,[18] including loss of toll revenues that could result in increased local rates for consumers. NEXTLINK urges the Commission to reject these arguments

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comments at 6; Qwest Communications comments at 2; RCN comments at 11; Texas Office of Public Utility Counsel at 7; Texas Public Utility Commission comments at 20; Time Warner Telecom Comments at 12.

[12] MediaOne Comments at 27; see also AT&T comments at 33; MCI WorldCom comments at 2; Sprint comments at 21; RCN comments at 11; Time Warner comments at 11.

[13] See Colorado Commission comments at 8 (describing its consolidation of 43 rate centers into 16); Minnesota Commission comments (detailing its own rate center consolidation efforts); Texas Public Utility Commission comments at 20 (noting its successful implementation of rate center consolidation).

[14] See Sprint Comments at 22, NPRM at n.185.

[15] Texas was able to consolidate 108 rate centers in the five largest cities to 31 rate centers, "without affecting exchange calling scopes and [without] increas[ing] rates or creat[ing] customer confusion." Time Warner comments at 14 (citing NANC Report at § 1.1).

[16] See Minnesota Department of Public Service comments at 15.

[17] See SBC comments at 107.

[18] See, e.g., Bell Atlantic comments at 17; California comments at 27; Ohio Commission

about rate center consolidation's immediate costs, including its potential impact on local rates. First, ILECs should not be allowed to rely on or regard toll revenues or subsidies as guaranteed profits to which they are entitled, especially given that these monopoly profits will erode as competition develops in local telecommunications markets, regardless of whether rate areas are consolidated or not. Time Warner similarly notes that these concerns about rate center consolidation and eroding toll revenues essentially "call into question the entire cross-subsidization scheme upon which rate centers are founded."[19]

Further, the existing rate center scheme is inconsistent with federal and state goals of fostering competition in telecommunications markets. MediaOne and Time Warner have described the current system of numerous rate centers as "a product of incumbent carrier-designated geographic location;"[20] and an "artifact of an antiquated regulatory construct to preserve toll revenues."[21] Consolidating rate centers is a pro-competitive solution that would, as noted above, reduce the number shortage and enable new entrants to gain access to numbers. In light of the Commission's various efforts to reform interstate access charges and universal service subsidies, the Commission must also consider the crucial role that number resources play in the development of competition. While pro-competitive measures such as the establishment of a competitively neutral and explicit universal service subsidy mechanism are critical to the development of telecommunications competition, access to numbering resources is just as critical.

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comments at 28.

[19] Time Warner comments at 13. Further, as both Time Warner and CTIA note, technological developments are "making distance sensitive pricing on the wireline network anachronous." CITA comments at 22; Time Warner comments at 12-13.

[20] MediaOne Comments at 26-27.

[21] Time Warner Comments at 12.

Rate center consolidation, as NEXTLINK has stressed previously, ensures and increases access to numbers, and therefore, is especially essential for new carriers to provide service.[22]

Indeed, the costs of failing to implement rate center consolidation result in far greater detriment to consumers and the industry than the short term costs of implementing it. NEXTLINK emphasizes that carriers and states must look beyond the immediate costs to the ultimate benefits of rate center consolidation. In addition to the benefits enumerated above, NEXTLINK agrees with commenters emphasizing other societal benefits of consolidating rate centers.[23] Specifically, in comparison to the alternatives to this measure, such as area code and related dialing changes, which have "had significant financial and social consequences for individuals,"[24] rate center consolidation optimizes numbering resources without significantly disrupting consumers' lives with area codes changes. A variety of states have discussed how consumers dislike the current short term relief efforts of area code splits or overlays and are clamoring for long term, effective solutions.[25] Rate center consolidation is one such solution.

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[22] NEXTLINK comments at 6.

[23] See Ad Hoc Telecommunications Users at 4 (noting that area code proliferation impacts society negatively and rate center consolidation is preferable); Sprint comments at 21-22 (noting that the benefits of rate center consolidation can result in a 90% reduction of a new carrier's demand for numbers); Qwest comments at 2 (stating that rate center consolidation allows carriers to request more efficient allotments of numbers, and reduces the demand for area code splits and overlays); Time Warner comments at 12-13(noting that technological developments have made distance-sensitive pricing on wireline networks less sustainable); Texas Public Utility Commission comments at 20 (noting that in Texas, the approved consolidation of rate centers does not affect local calling scopes).

[24] Ad Hoc Telecommunications Users Committee Comments at 5; see also Illinois Government and Consumer Intervenors comments at 12; MediaOne comments at 3-6; Sprint at 5.

[25] See, e.g., California Commission comments at 4; Pennsylvania Commission comments at 3-4; Texas Commission comments at 21, 32.

Because consolidation of rate centers is an effective and pro-competitive optimization solution, most parties urge the Commission to establish a national policy for assisting states in implementing this resource optimization solution. NEXTLINK specifically agrees with MediaOne's recommendation that the Commission should examine data from states that have successfully implemented rate center consolidation, and then establish a national policy to encourage similar measures in other states.[26] To that end, NEXTLINK recommends that the Commission should establish a Working Group on Rate Center Consolidation as part of the NANC, which would allow states, industry, and the Commission to work together on establishing national policies and guidelines concerning this optimization solution. The establishment of such a working group would provide a national forum for all involved parties to work together and assist states as they consider local conditions and factors in determining whether to implement rate center consolidation.[27] Many parties, including NEXTLINK, noted that national guidelines would assist the states in coordinating implementation of rate center consolidation and in ensuring that ILECs, CLECs, and the public are informed and involved in such measures.[28]

Finally, while states should attempt to consolidate rate centers as quickly as possible, NEXTLINK and other commenters also acknowledge that, given the numbering crisis in numerous local markets, the Commission should not require states to implement rate center consolidation before allowing thousands block number pooling measures to take place.[29]

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[26] MediaOne Comments at 27; NEXTLINK comments at 7.

[27] ALTS comments at 21; MediaOne comments at 27; NEXTLINK comments at 7; Sprint comments at 21; Texas Public Utility Commission comments at 21.

[28] NEXTLINK comments at 7; MediaOne comments at 7; Sprint comments at 6.

[29] See NEXTLINK comments at 8; See, e.g., ALTS comments at 22; MediaOne Comments at 27; Ohio Public Utilities Commission comments at 29; SBC comments at 108.

Implementation of rate center consolidation and number pooling simultaneously would best optimize number resources, but the Commission should not delay number pooling measures simply because of the time that certain states may take to implement rate center consolidation.

B. The Commission Should Adopt Mandatory Thousand Block Number Pooling

The record also provides overwhelming support for the adoption of a mandatory thousand block number pooling plan.[30] Many parties note that the current number allocation system of 10,000 number blocks per carrier for each NXX code is inefficient, anti-competitive, and a major cause of the shortage of number resources in numerous local markets.[31] Thousands-block number pooling, like rate center consolidation, is a cost-effective method that addresses the root problems of the existing system. The Commission, therefore, should implement a national and mandatory roll-out of thousands block number pooling for areas and carriers that are technically capable of participating.

In support of thousands block number pooling, several commenters, including NEXTLINK, discussed this measure's competitive benefits.[32] Allocation of numbers to carriers in thousands blocks rather than the current blocks of 10,000 numbers would significantly extend the

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[30] See, e.g., Ad Hoc Telecommunications Users Comments at 14; ALTS comments at 23; AT&T Comments at 39; BellSouth comments at 21; California Commission comments at 27; Cablevision Lightpath Comments at 5; MediaOne Comments at 22; Time Warner Comments at 6; Texas Commission comments at 25; Sprint comments at 16-17; Qwest comments at 3; MCI WorldCom comments at 12; NEXTLINK comments at 9; New York Department of Public Service comments at 10.

[31] See, e.g., Cablevision Lightpath Comments at 5 (noting that Lightpath was unable to obtain NXX codes for four rate centers in New York in which it had planned to compete); MCI WorldCom comments at 12; MediaOne comments at 27; NEXTLINK comments at 9-10; Time Warner comments at 8.

[32] NEXTLINK comments at 9; see also AT&T comments at 39; Qwest comments at 3; MCI WorldCom comments at 12; Small Business Alliance comments at 9; Time Warner comments at 8; Virginia Commission comments at 2.

life of new NXX codes and provide many carriers with an opportunity to use numbers more efficiently. In particular, thousands block number allocation is a more efficient method to distribute initial codes to carriers beginning to enter new markets or expanding existing service areas. Moreover, the record indicates that thousands block number pooling is a competitively neutral approach that benefits the industry by ensuring that all providers, particularly new entrants, will receive a sufficient quantity of numbers to be able to establish a footprint within a service area.[33] This solution, therefore, is pro-competitive and combined with rate center consolidation, can greatly extend the life of the NANP.

Just as importantly, consumers benefit from this resource optimization solution because the increased availability of numbers reduces the necessity for new area codes. The record indicates that failing to implement thousand block number pooling, or relying on alternatives to thousands block number pooling are not adequate options.[34] As discussed above, many commenters have indicated that the numbering shortage crisis has caused states to split area codes and impose overlays, [35] both of which are often extremely frustrating and expensive ordeals for end-user consumers. NEXTLINK is cognizant that parties such as the state of California contend that the public has shouldered a disproportionate financial burden and "the gross inconvenience of

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[33] See generally AT&T comments; NEXTLINK comments; Sprint comments; MediaOne comments; MCI WorldCom comments; Time Warner comments.

[34] See, e.g., Illinois Government and Consumers Intervenors comments at 27 (noting that it is "far easier to quantify the costs of pooling than the benefits since the benefits are largely avoided costs and intangibles.")

[35] California Commission comments at 4; see also Sprint comments at 24-29 (discussing how states often delay implementing area code relief because splits and overlays are unpopular); Small Business Alliance for Fair Utility Regulation comments at 2(discussing how area code splits impact small businesses).

learning new area codes and of changing business cards, [and] stationery."[36] Thousands block pooling and RCC are optimization measures that not only spare states from making politically unpopular decisions to split an area code or implement an overlay, but also spare the public and industry from the further frustrations and burdens of area code changes, or worse yet, inaccessibility to numbers.

Many commenters urge the Commission to set a national schedule and policy for the roll-out of thousands-block number pooling, to enable competition to develop quickly and smoothly, and prevent confusion from a variety of conflicting local pooling plans.[37] NEXTLINK agrees with commenters who stress the need for the Commission to implement a national thousands-block number pooling plan in Metropolitan Statistical Areas ("MSAs") in which Location Routing Number ("LRN") LNP has been deployed; and for those carriers that are LNP-capable.[38]

NEXTLINK disagrees with those commenters asserting that thousands-block number pooling may take as long as 18 months to implement.[39] US West, for example, argues that it would take at least 18 months for it "to make the necessary modifications to our OSSs to

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[36] California Comments at 4 (noting that the "numbering problem, as the public sees it, as that too many area codes are being created too quickly"); see also Small Business comments at 2-3.

[37] NEXTLINK Comments at 10; see also MediaOne comments at 22-23; MCI WorldCom comments at 12-13; Nextel comments at 5; Texas Public Utility Commission at 25(noting that, given the Commission's mandate that the 100 largest MSAs be LNP-capable by the end of 1998, it would be appropriate for the Commission to issue the mandate for thousand block pooling for these areas).

[38] See ALTS comments at 24; AT&T Comments at 39; MediaOne Comments at 22-23; Illinois Government and Consumers Intervenors comments at 28; MCI WorldCom comments at 12-13; New York Department of Public Service comments at 13; Texas Commission comments at 25; Time Warner Comments at 7; NEXTLINK Comments at 10.

[39] See, e.g., Ameritech comments at 42-43; California comments at 27; US West comments at 22.

accommodate 1k block pooling."[40] These Operation Support Systems to which US West refers are US West's internal operational systems. NEXTLINK believes that updating these internal operational systems is not absolutely crucial to the ability to implement thousands block number pooling. Instead, NEXTLINK believes that where LNP has been deployed, technical systems are currently in place to implement thousands block number portability, and therefore, thousands block number pooling can be accomplished sooner than 18 months. NEXTLINK supports AT&T's proposal that thousands block number pooling be implemented in 100 NPAs over a 12 month period.[41] MediaOne suggests an even shorter timeframe of 10 months as a realistic implementation period, noting that the industry has already paid for pooling in the Number Portability Administration Center ("NPAC") software, scheduled to be deployed by October 1999.[42] Thus, the Commission should set a reasonably expedited schedule for rolling out this optimization solution. NEXTLINK echoes MediaOne's recommendation that the Commission use staggered timetables such as those used to implement LNP as a framework from which to establish a thousands-block pooling schedule.[43]

Finally, the success of this optimization measure greatly depends on all states' and carriers' participation. The Commission should refrain, as NEXTLINK emphasized in its comments, "from delegating authority to individual state commissions that would permit states to

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[40] US West comments at 22.

[41] AT&T comments at 43-44 (noting that a test NPA can adopt thousands block pooling over the first 2 months, with subsequent roll out of thousands block pooling in the NPAs with highest NXX assignment rates).

[42] MediaOne comments at 22 and n.43 (noting that as soon as a pooling administrator is found, methods and procedures on the interface and interaction between the pool administrator, NPAC and service providers can be developed.)

[43] See MediaOne Comments at 23.

arbitrarily 'opt-out' of adopting number pooling."[44] Other parties have also expressed the importance of a mandatory, and national thousands block number pooling plan.[45] Allowing some states to opt out of thousands block number pooling would lead to inconsistency and confusion for carriers and the industry.[46]

In addition, where thousands block number pooling is undertaken, the Commission should require all carriers to be subject to this requirement.[47] States have expressed concern that all carriers in the industry be required to participate in a thousands block number pooling plan.[48] The California commission noted that all carriers must be required to participate in number pooling, and that the external costs to the public of undergoing repeated area code relief must not be ignored.[49] Finally, as discussed below, allowing carriers to opt out of number resource optimization measures based on their utilization thresholds would likely be discriminatory against new entrants.

C. Individual Telephone Number Pooling

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[44] NEXTLINK Comments at 10 (the Commission should also provide a mechanism for a waiver of the federal requirements in limited circumstances).

[45] See, e.g., AT&T comments at 43; MediaOne comments at 22; Qwest comments at 3; Time Warner comments at 6-7.

[46] Further, as noted by AT&T. the Commission should be the "sole decision maker with regard to the pooling implementation schedule," and states should not be allowed to move NPAs to a higher position on the schedule "as that could disrupt the Commission's roll-out plan and lead to disputes among the affected states." AT&T comments at 43 (noting that, however, states might be granted authority to remove a particular NPA from the roll-out list or to move it further down the list).

[47] See California comments at 19-22; Level 3 comments at 13; Ohio Commission comments at 35-36; Texas Commission comments at 30.

[48] See California comments at 19-22; Colorado Commission comments at 6; Ohio Commission comments at 35-36; Texas Commission comments at 30; see also, infra, discussion at Section IV.

[49] California Commission comments at 27-28.

As noted above, mandatory thousands block pooling is a cost effective and pro-competitive approach to resolving the current numbering shortage crisis. The record supports the Commission's tentative conclusion that thousands block number pooling is a far more realistic and efficient option than individual telephone number ("ITN") pooling.[50] The Commission should reject ITN as a mandatory number pooling options because the costs outweigh the marginal benefits.

Specifically, commenters in addition to NEXTLINK have noted that ITN would be practically impossible to monitor or administer and would require extensive administrative resources.[51] As US West and Ameritech noted, ITN pooling would require real-time number assignment from a national or regional database for every telephone number sought to be assigned, and would require significant modifications to the current system, network, and administrative procedures.[52] For these reasons, the Commission should reject as impractical and costly the idea of migrating from thousands block number pooling to ITN in the future.

Further, commenters have noted that, given the amount of time and money it would take to implement a mandatory ITN program, the Commission might as well consider implementing location portability because it would provide far greater tangible consumer benefits than ITN.[53] Ameritech notes that with location portability, allowing consumers to transport their numbers with them when they move would improve the conservation of numbers within some larger

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[50] NPRM at para. 141; see, e.g., Ameritech comments at 46; AT&T comments at 41; GTE comments at 41-42; Nextel comments at 18; Ohio Commission comments at 31; SBC comments at 91; Winstar comments at 22.

[51] See Ameritech comments at 47; AT&T comments at 41; GTE comments at 41-42; MCI WorldCom comments at 16; Ohio Commission comments at 31; US West at 19.

[52] US West comments at 19; Ameritech comments at 46.

geographic region, such as an NPA, and MSA.[54] Moreover, as noted by MCI WorldCom, geographic portability would "allow greater efficiencies in the use of an NXX without affecting the basic, geographic nature of the area code system."[55] Finally, location portability would obviate the need for rate center consolidation without tariff restructuring.[56] NEXTLINK notes, however, that even location portability is not a viable, immediate solution, and the Commission should focus on it only after thousands block number pooling has been implemented.[57]

D. Unassigned Number Porting (UNP)

Commenters have also noted unassigned number porting ("UNP") is generally only useful, if at all, as a means of short-term access to numbers in limited circumstances, and therefore, that UNP should be undertaken only on a voluntary basis between carriers.[58] The Commission should not devote its resources to the development of rules and procedures relating to UNP, because it would be more efficient to allocate its resources to roll out thousands-block number pooling.

Applied on a voluntary, bilateral basis between carriers, UNP allows one carrier to provide another carrier with some of its number resources. UNP should not, however, be implemented as a mandatory or long term solution. A mandatory program of UNP would allow carriers to "raid" other carriers' number inventory for their own purposes; and could potentially be applied in a

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[53] Ameritech comments at 46; US West comments at 19-20.

[54] Ameritech comments at 47.

[55] MCI WorldCom comments at 23.

[56] Ameritech comments at 47.

[57] See AT&T comments at 34-35 (noting that there are significant billing and system modifications that would need to be implemented on a national level).

[58] See, e.g., AT&T at 41-42; California Commission comments at 21; Texas Public Utility Commission comments at 30; MediaOne comments at 31; Nextel comments at 18.

discriminatory way.[59] Moreover, UNP could encourage bidding wars for numbers and encourage number hoarding. UNP would also be administratively more difficult and expensive to implement than thousands block number pooling. Therefore, NEXTLINK recommends that the Commission decline to adopt UNP as a mandatory number optimization solution, and permit it only on a voluntary basis between carriers.

III. ADMINISTRATIVE MEASURES

In addition to emphasizing the importance of these number resource optimization measures, many commenters have highlighted the need for the Commission to establish national and consistent administrative guidelines in order to encourage the industry and carriers to move forward with numbering resource solutions.[60] The Commission should not shirk its responsibility to oversee numbering issues, and should delegate, where appropriate, limited authority to NANPA to administer aspects of telecommunications numbering.[61] Specifically, many commenters including NEXTLINK, suggest that the Commission should set national requirements that will improve the efficiency of the numbering system in a pro-competitive manner, and that will provide states, industry, and NANPA with sufficient guidance regarding enforcement and audit mechanisms.[62]

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[59] See Ameritech comments at 47; MediaOne comments at 30; US West comments at 19 and n.27.

[60] NEXTLINK comments at 12; see also Ad Hoc Telecommunications Users comments at 18; ALTS comments at 4; AT&T comments at 10; CTIA comments at 6; MCI WorldCom comments at 34; RCN comments at 5; SBC comments at 30; Sprint comments at 7-8; Time Warner comments at 5.

[61] See 47 U.S.C. §251(e)(1); NEXTLINK comments at 18; Time Warner at 5;AT&T comments at 10; Sprint comments at 15-16; MCI WorldCom comments at 45.

[62] Id.

A. The Commission Should Not Require Additional Stringent Information for Initial Codes

Numerous parties, including NEXTLINK, contend that the Commission should not impose additional information requirements from applicants seeking initial codes, such as the type of equipment and facilities that the applicant intends to deploy and use, the state of readiness of their networks, and their business plans and objectives.[63] Imposing additional requirements would be anti-competitive and unnecessary.

As NEXTLINK discussed in its comments, the Central Office Code Guidelines ("CO Code Guidelines") provide safeguards against a carrier seeking initial codes to "stockpile" them with no intention of immediately using them.[64] For example, CO Code Guidelines require an applicant to certify that it is licensed or certified to operate in the area for which the code is requested and that the code is used within given timeframes.[65] Winstar further has noted that an applicant must already have an operating company number ("OCN"), and must provide extensive information to the National Exchange Carriers' Association ("NECA") in order to obtain an initial code.[66] CO Code Guidelines also recommend that any code not placed in service within six months of assignment be reclaimed, and therefore, the requirements of additional information from applicants seeking initial codes is unnecessary.

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[63] See NPRM at para. 58; MediaOne comments at 12-13; NEXTLINK comments at 15; Winstar comments at 56.

[64] NEXTLINK comments at 16.

[65] See CO Code Guidelines at §§ 4.1 and 6.3.3.

[66] Winstar comments at 55-56 (noting also that there are various factors that may delay or preclude an entrant from putting its code into service, including construction delays, labor disputes and acts of God; and that carriers generally do not seek codes well in advance of the time they actually provide service).

In addition, as noted by many, imposition of additional requirements for applicants seeking initial codes only, and not on applicants seeking growth codes, is discriminatory and anti-competitive.[67] Winstar states that stringent requirements for carriers seeking initial codes "would have a chilling effect on competition."[68] Further, NEXTLINK reiterates its concern that generally CLECs are more likely to need initial codes than ILECs, and therefore, additional requirements imposed on applicants for initial codes places CLECs at a significant disadvantage compared to established ILECs.

Therefore, the Commission should reject proposals to seek additional information from applicants for initial codes and should recognize that CO Code Guidelines sufficiently protect against carriers' unnecessarily seeking and hoarding numbers.

B. Reporting and Recordkeeping Requirements Should be Strengthened

The record supports the Commission's establishment of national policies with regard to recordkeeping and reporting of number status categories.[69] Specifically, the Commission should strengthen reporting and recordkeeping requirements for all carriers, and adopt the Hybrid model generally as a replacement for the current Central Office Code Utilization Survey ("COCUS") report. Further, the Commission should set forth uniform and consistent definitions for the recordkeeping of number usage and status, but should not codify these definitions because industry standards change quickly and require maximum flexibility. Finally, the Commission

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[67] See MediaOne comments at 12-13; NEXTLINK comments at 15; Winstar comments at 56.

[68] Winstar comments at 56.

[69] See AT&T comments at 11; California Commission comments at 11-13; MCI WorldCom comments at 34; MediaOne comments at 9; Texas Commission comments at 4.

should require that reporting of number status should be done based on specific number status categories, instead of generally reporting numbers as "available" or "unavailable."

NEXTLINK and other commenters encouraged the Commission to require that all users of numbering resources provide details and utilization data to NANPA.[70] Currently, there is no requirement that carriers provide NANPA with utilization data, but it is essential that carriers report this data so that NANPA may accurately forecast number exhaust and monitor carrier compliance. A national requirement that carriers report number utilization data twice a year and quarterly for NPAs that are in jeopardy would effectively assist NANPA in its monitoring and forecasting responsibilities.[71] NEXTLINK supports NANC's Recommendation on COCUS that the Commission establish the Hybrid model as the preferred basis on which carriers should report their data, with one exception.[72] The Hybrid model requires reporting of telephone number status, or usage, based on general terms such as "available" or "unavailable"; however, NEXTLINK recommends that carriers report their number status using industry-established, specific terms, as discussed in greater detail below. As noted by the NANC, and supported by commenters, the Hybrid approach strikes the best balance between improving NANPA's ability to predict number exhaust, and minimizing reporting burdens on carriers.[73]

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[70] See AT&T comments at 18; NEXTLINK comments at 17-18; Ohio Commission comments at 10-11; Time Warner comments at 20; USTA comments at 5.

[71] See AT&T comments at 21(noting that twice yearly reporting of utilization data should be sufficient); MCI WorldCom comments at 40 (noting that quarterly reporting will provide "little incremental benefit over semi-annual data"); NEXTLINK comments at 18.

[72] See Ameritech comments at 22; NEXTLINK comments at 18; Recommendation of the NANC Concerning the Replacement of the COCUS (filed June 30, 1999) ("NANC COCUS Report").

[73] See, e.g., AT&T comments at 18; Ameritech comments at 22; MCI WorldCom comments at 41; NEXTLINK comments at 18.

Further, many commenters urge the Commission to establish uniform policies with regard to recording number status categories and definitions.[74] AT&T and MediaOne emphasized the importance of standardized definitions, and uniform and consistent specific definitions of number usage, which all carriers must use in their recordkeeping.[75] For example, industry established definitions would include categories such as, among other things: "aging" numbers; "assigned number;" "ported-out number;" and "reserved number."[76] Because of the dynamic changes in the industry, however, codifying these definitions would be unworkable, because it would take too long to revise definitions when necessary. Instead, the Commission should ensure that a uniform set of definitions continue to be incorporated into the Industry Numbering Committee ("INC") CO Code and Pooling Administration Guidelines.[77]

Similarly, NEXTLINK recommends that the Commission require that specific terms of number status be used for reporting number usage. Some commenters have contended that carriers should be allowed to report number usage as either "available," or "unavailable," as opposed to a more specific level of detail, such as "aging" or "reserved" number.[78] NEXTLINK, however, agrees with the states' response to the NPRM, that the Commission should require NXX codeholders to report the status of telephone numbers based on the industry-established specific status definitions discussed above.[79] NEXTLINK has previously noted that the reporting

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[74] See, e.g. AT&T comments at 11; NEXTLINK comments at 13.

[75] AT&T comments at 11; MediaOne comments at 9.

[76] See NPRM at paras. 41-46.

[77] See AT&T comments at 11.

[78] See Ameritech comments at 18-19; Bell Atlantic comments at 10.

[79] See California comments, Attachment 1 (Outline of State Response to Numbering NPRM); NEXTLINK comments at 14.

of numbers based on specific terms like "aging," as opposed to more generalized terms like "unavailable," would improve the accuracy number utilization data and would have great benefits for the forecasting of number exhaust.[80] The benefits of compiling this data on a disaggregated basis far outweigh the additional administrative burdens. There is no reason why the reporting of these numbers on a disaggregated basis would be unreasonably burdensome. First, if carriers are already required to record their number usage based on specific categories, the reporting of these numbers at specific status categories should not create much additional cost.

Furthermore, as NEXTLINK has highlighted, a significant difference exists between reporting all numbers as available or unavailable, and reporting them based on specific status. For example, an "aging" number is one that is unavailable but can become available to a subscriber within a predictable period of time, while a "reserved" number is one that may remain unavailable for a significantly longer period. By requiring carriers to report number status on a specific basis, the Commission ensures that NANPA will have significant critical information necessary for NANPA to monitor carrier compliance and forecast number exhaust.[81]

In sum, the record provides adequate support for the Commission's issuance of national policies and guidelines with regard to uniform industry guidelines, including the semi-annual reporting requirement of utilization data to NANPA. Moreover, the Commission should require that number status categories be uniform and incorporated into industry CO Code and Pooling Administration Guidelines; and that carriers report to NANPA the status of their numbers based on these specific definitions, and not simply as "available" or "unavailable."

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[80] NEXTLINK comments at 14.

[81] NEXTLINK noted in its comments that a majority of the membership in NANC similarly concluded that number utilization should be reported in disaggregated categories. See

C. The Commission must Establish National Guidelines for Audits and Enforcement

Similarly, the record provides strong support for the Commission to maintain a national focus regarding audits of carriers and enforcement of number utilization requirements.[82] Establishing a consistent federal policy for when NANPA may undertake audits and enforcement actions is essential to provide certainty and clarity for the industry and carriers. NEXTLINK agrees with commenters stating that, although the Commission need not codify industry guidelines concerning audit and enforcement processes, the Commission should establish uniform guidelines for NANPA to undertake "for cause audits," including: when a "for-cause" audit would be triggered; how it should enforce industry rules; and what would be an appropriate level of sanctions.[83]

Specifically, NEXTLINK and other commenters expressed support for the Commission delegating to NANPA or a neutral third party the actual task of performing audits and enforcement, pursuant to federally established guidelines and procedures.[84] NEXTLINK specifically supports AT&T's position that the Commission should set guidelines as to the

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NEXTLINK comments at 15 and n.33 (citing NANC COCUS Report at n.1).

[82] See, e.g., AT&T comments at 23; Level 3 comments at 7-8; MCI WorldCom comments at 43-45; MediaOne comments at 16; Time Warner comments at 4; RCN comments at 7-8; SBC comments at 30, 57.

[83] For example, Time Warner correctly noted that the Commission should: (1) establish broad guidelines; (2) "ensure that those guidelines as well as specific rules are enforced;" and (3) provide limited authority to NANPA to implement and enforce the numbering resource rules while carriers could appeal enforcement decisions to the Commission. Time Warner comments at 4-5.

[84] See AT&T comments at 23; MediaOne comments at 20 (recommending that NANPA use the data it receives from carriers to determine if a rule violation has occurred; submit a proposed disposition of the rule violation to the Commission; and the Commission would have 30 days to determine whether to impose sanctions proposed by NANPA, with automatic imposition of

appropriate level of sanctions for NANPA or a third party administrator to follow.[85] Finally, NEXTLINK agrees with commenters that the Commission must be the body that should be the arbiter of any disputes regarding these issues, in order to ensure that NANPA or the third party is administering audits and enforcement actions fairly.[86]

Further, NEXTLINK recommends that the Commission establish only the use of "for cause" audits as opposed to "regularly scheduled" or "random" audits. As many parties noted, "for cause" audits would be the most effective means to ensure that carriers are complying with federal and industry numbering guidelines.[87] NEXTLINK and other commenters have previously noted that a regularly scheduled audit is too costly and administratively burdensome to implement.[88] If the Commission (or NANPA) were to audit all service providers over a three-year period, it "would have to conduct almost five audits per day."[89] Neither the Commission nor NANPA have sufficient time or resources to conduct audits of this scale and magnitude. Moreover, once audited, a service provider would not face an additional audit for a three year period. Similarly, NEXTLINK agrees with AT&T that it is questionable whether a "random"

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sanctions if the Commission does not act within 30 days).

[85] AT&T comments at 24-25.

[86] See, e.g., MediaOne comments at 20-21; Time Warner comments at 21-22; Texas comments at 15.

[87] See AT&T comments at 22; ALTS comments at 15; Ameritech comments at 24; Bell Atlantic comments at 12; MCI WorldCom comments at 44; NEXTLINK comments at 20; SBC comments at 57.

[88] See, e.g., NEXTLINK comments at 20; ALTS comments at 15; AT&T comments at 23; GTE comments at 27; Time Warner comments at 21;

[89] AT&T comments at 23.

audit would have the desired deterrent effects, given that the probability of any one carrier being randomly selected for an audit would be low.[90]

Accordingly, the Commission should adopt a national policy and set of guidelines for delegating limited authority to NANPA to undertake "for cause" audits, with established due process rules and procedures concerning appeal to the Commission, where necessary.

IV. THE COMMISSION SHOULD NOT ESTABLISH FEES OR A PRICING MECHANISM FOR NUMBERING RESOURCES

Almost all parties urge the Commission not to establish a pricing mechanism for numbers, whether through an administrative or market-oriented process. Various commenters, including NEXTLINK, have observed that there "are no clear benefits to this proposal," especially in light of the administrative, legal, and practical difficulties that such a mechanism would entail.[91] The establishment of fees is not only contrary to the Commission's longstanding policy to treat numbers as a public resource, but it is also contrary to the law.

The record calls into question the Commission's statutory authority to charge fees or establish a pricing mechanism for either the use or reservation of numbers.[92] Although the Commission may have express authority under section 251(e)(1) of the Communications Act to

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[90] See NEXTLINK comments at 20. Moreover, random audits should not be targeted at those "new carriers that appear to be seeking a large quantity of numbers." NPRM at para. 87. As NEXTLINK noted in its comments, such a policy of "random" audits would be unfair and clearly discriminatory.

[91] NEXTLINK comments at 23; see also ALTS comments at 27; AT&T comments at 62; Level 3 comments at 15; MediaOne comments at 30; MCI WorldCom comments at 48; Qwest comments at 6; RCN comments at 15; SBC comments at 109; Time Warner comments at 22.

[92] See ,e.g., NEXTLINK comments at 22 (citing 47 U.S.C. § 309(j) providing for the competitive bidding system for spectrum); AT&T comments at 61; MediaOne comments at 30; Qwest comments at 6; Time Warner comments at 22.

administer numbering resources, Congress has not similarly expressed its intent to give the Commission authority to sell or charge fees for a pre-existing public resource.

Moreover, as NEXTLINK has previously noted, the Commission should not adopt a pricing mechanism for numbering resources, because there is no way that this can be accomplished in an equitable and competitively neutral manner pursuant to section 251(e) of the Communications Act. New entrants and CLECs would be placed at a competitive disadvantage under such a scheme, because larger competitors such as ILECs would potentially be able to bid for numbers even when they had no immediate use for the numbers, in order to prevent other new entrants from obtaining valuable numbering resources.[93]

Finally, AT&T notes that practically, it would be difficult to implement such a mechanism, because ILECs have the "vast majority of numbers in the NANP and the Commission would have to ensure that they pay for their existing numbering resources."[94] The inefficiencies that exist in the monopoly-based system are a major cause of the numbering crisis; and the pricing of numbers would not fix these basic structural problems. The number optimization solutions of rate center consolidation and thousands block number pooling are far more effective methods on which the Commission should focus to fix the numbering problem.

Therefore, NEXTLINK reiterates that the Commission should not adopt a pricing mechanism for either the utilization or even the reservation of number resources, as this would be unworkable from administrative, legal, and policy perspectives.

V. CARRIER CHOICE OF OPTIMIZATION METHODS

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[93] See Qwest comments at 6 (noting that ILECs could bid up the price for numbers and win and warehouse the numbers or lose, but in the process, drain capital from new entrants).

[94] AT&T comments at 62.

As the record reflects, rate center consolidation and thousands block number pooling are the best means for optimizing numbering resources. The implementation of numbering conservation methods, however, depends on full participation by the industry. Most commenters discourage the Commission's pursuit of a policy that would allow carriers, based on their meeting a utilization threshold, to choose the numbering resource optimization solution in which to participate, or allow them to opt out of certain optimization solutions.[95] NEXTLINK agrees with commenters who have noted that a "carrier choice" proposal, which allows carriers, based on their utilization thresholds, to opt out of optimization solutions and to choose in which solution to participate, is anti-competitive.[96] Further, as a practical matter, both rate center consolidation and thousands block number pooling requires all states and all carriers (where technically feasible in the case of number pooling) to participate.

Consistent with the record, therefore, the Commission should not allow carriers with higher utilization thresholds to opt out of participating in numbering resource optimization measures. For example, with respect to number pooling, AT&T noted that, because of the costs of altering internal technical and recordkeeping systems involved, "[r]equiring certain carriers to pool, while excusing others would, in effect, require the former to pay more for the use of numbering resources than the latter."[97] Further, parties emphasized that allowing carriers' choice to opt out of optimization efforts essentially would result in "ILEC exemption from pooling [or

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[95] See NPRM at para. 216; ALTS comments at 26; California Commission comments at 20; MediaOne comments at 31; Ohio Commission comments at 35; GTE comments at 66-67; New York Department of Public Service comments at 19; Texas Commission comments at 30.

[96] See MediaOne comments at 31; AT&T comments 58; California Commission comments at 20; Ohio Commission comments at 35; GTE comments at 66-67; Texas Commission comments at 30.

[97] AT&T comments at 59.

rate center consolidation]," and thus is discriminatory.[98] ILECs are more likely than CLECs to meet higher utilization thresholds simply because they have had their number resources for longer periods of time. Clearly, such a proposal inherently favors carriers with higher utilization thresholds and would discriminate against new entrants such as CLECs.

Parties also note that the use of utilization thresholds is not an effective incentive for carriers to create their own solutions to the problems of number exhaust.[99] Utilization thresholds are not good indicators of how efficiently a carrier is utilizing its numbers. As noted above, ILECs may have higher utilization thresholds simply as a result of their having been established in the market for some time, and not because they are more efficiently utilizing their number resources. Because new entrants are intent on attracting customers and business, they already have great incentives to use their existing numbers as efficiently as possible, but because of their recent entry, may not have reached utilization thresholds as high as an ILEC's.

Further, it would be practically impossible to determine or set a neutral level of utilization threshold that would be reasonable for all carriers. Various commenters have already noted that different types of carriers appear to have higher or lower utilization thresholds.[100] AT&T noted additionally that utilization rates change daily and therefore, these levels would be administratively difficult to monitor.[101]

Finally, as NEXTLINK stressed previously, all carriers must participate in number resource optimization measures to the extent possible. For example, thousands block number

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[98] AT&T comments at 60; California Commission comments at 20.

[99] See AT&T comments at 59; GTE comments at 66; Ohio Comments at 35..

[100] See AT&T comments; California comments at 20-21.

[101] AT&T comments at 60.

pooling requires carriers to donate their numbers into the pool, and if some carriers, such as ILECs, opt out of this option because of their high utilization thresholds, a large amount of numbers will not be donated into the pool. Moreover, with respect to rate center consolidation, MCI WorldCom correctly noted that this measure cannot work unless all carriers operating in an area participate.[102] For example, if only some carriers participated in rate center consolidation while others did not, inconsistent rate areas would result, creating "customer confusion regarding local and toll boundaries."[103] It is impractical to attempt these number resource optimization solutions if only a few carriers participate and others do not.

VI. AREA CODE RELIEF AND OVERLAYS

The record reflects that the numbering crisis has left states with the important task of implementing and administering area code relief.[104] NEXTLINK agrees with AT&T that states have "fulfilled their obligations in a responsible and timely manner," and that states should, as delegated to them by the Commission, implement area code relief plans when necessary.[105] NEXTLINK recommends that the Commission allow states to make the critical decision as to whether to implement area code splits as opposed to area code overlays.

States are in the best position to determine whether to implement an area code split or an area code overlay, because they are sensitive to, and have more immediate knowledge of local needs.[106] Although it is critical that the Commission maintain a national focus and policy with

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[102] MCI WorldCom comments at 22.

[103] MCI WorldCom comments at 22.

[104] California Commission comments at 43, Texas Commission comments at 32.

[105] AT&T comments at 65.

[106] See AT&T comments at 66; California comments at 43.

regard to number resource optimization and numbering administrative issues, the record reflects that states may be able to better respond than the Commission to local consumer issues with regard to the sensitive issues pertaining to area code splits or overlays.[107] NEXTLINK believes, therefore, that the Commission should not limit the ability of states to determine in each specific instance what sort of area code relief is necessary within an area. In this regard, the Commission rightly decided to delegate area code relief to states, and should continue to defer to the states on this matter.[108]

VII. CONCLUSION

In conclusion, the Commission must not ignore the record, which fully supports prompt Commission action on providing clear and consistent guidelines with respect to numbering resource issues. Specifically, the record supports rate center consolidation and thousands block number pooling as the best means for optimizing number resources, as its long term benefits far outweigh any immediate costs that may be incurred. In this dynamic and shifting environment, rate center consolidation and thousands block number pooling are pro-competitive and progressive solutions, which advance the industry from a system based on monopolies to a healthy environment of competition.

NEXTLINK and other parties also urge the Commission to continue to provide uniform federal guidance on administrative measures related to the numbering system. Without federal policies, the industry and carriers are left with a variety of state policies that may be confusing and conflicting. It is also clear from the record that the Commission should reject pricing mechanisms

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[107] California Commission comments at 43, Texas Commission comments at 32.

[108] See Pennsylvania Order, 13 FCC Rcd 19009, 19511-12.

for numbering resources. As emphasized by many commenters, the pricing of a public resource such as numbers is an unworkable, legally unauthorized, and anti-competitive proposal. Finally, the Commission should defer to the states with respect to issues pertaining to area code splits or overlays, as states can respond to local concerns in this regard.

Respectfully submitted,

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August 30, 1999

CERTIFICATE OF SERVICE

I, Jane Whang, hereby certify that on August 30, 1999, I caused the "Reply Comments of NEXTLINK Communications, Inc." to be served by using the Commission's Electronic Comment Filing System ("ECFS") in this proceeding.

/s/
Jane Whang